



PSC NEWS

Missouri Public Service Commission

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PSC APPROVES AGREEMENT REACHED IN AQUILA ELECTRIC AND STEAM RATE CASES

Jefferson City (April 13, 2004)---The Missouri Public Service Commission has approved an agreement reached by parties in electric and steam rate cases filed by Aquila, Incorporated d/b/a Aquila Networks-MPS and Aquila Networks-L&P which addresses permanent electric rates as well as a two-year interim energy charge. The Commission's order takes effect on April 22, 2004.

Under the agreement approved by the Commission, permanent electric rates will increase by approximately \$14.5 million a year for customers of Aquila Networks-MPS and by approximately \$3.25 million a year for customers of Aquila Networks-L&P. The agreement approved by the Commission also calls for a 13 month rate moratorium.

When Aquila filed its rate request with the Missouri Public Service Commission on July 3, 2003, it sought to increase annual electric revenues in its MPS service territory by approximately \$65 million and by approximately \$14.6 million in its L&P system.

Under the agreement, an Aquila Networks-MPS residential customer using 10,000 kWh (kilowatt-hours) a year will see permanent electric rates increase by approximately \$2.89 a month (\$34.68 a year). An Aquila Networks-L&P residential customer using 10,000 kWh a year will see permanent electric rates increase by approximately \$2.02 a month or \$24.24 a year.

In addition to the permanent change in electric rates, the agreement approved by the Commission authorizes Aquila to incorporate a two-year interim energy charge. This charge will generally reflect Aquila's fuel and purchased power costs. This charge is interim and subject to refund with interest based upon Aquila's prudently incurred fuel and purchased power costs over the two-year period.

For an Aquila Networks-MPS residential customer using 10,000 kWh a year, the interim energy charge will be approximately \$2.55 a month. For an Aquila Networks-L&P residential customer using 10,000 kWh a year, the interim energy charge will be approximately \$1.11 a month. The interim energy charge will be in addition to the permanent rate increase mentioned above.

Under the terms of the agreement, Aquila agrees to a one-time funding of approximately \$75,000 to conduct tall tower wind assessments. In addition, Aquila agrees to fund, on an annual basis until its next general rate case, approximately \$93,500 that may be used for a low-income weatherization program.

Under the agreement, annual steam revenues will increase by approximately \$1.3 million. Permanent steam revenues will increase by approximately 18.77 percent under the agreement. When Aquila filed its rate request in July, it sought to increase steam revenues by approximately \$1.34 million. Aquila serves six industrial steam customers in the St. Joseph, Missouri area.

Aquila Networks-MPS serves approximately 220,000 electric customers in the former Missouri Public Service service area. Aquila Networks-L&P serves approximately 64,000 electric customers in the former St. Joseph Light & Power service area.

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